



## Why Sell Your Business?

Most business owners do not think about selling their business until they have a need to do so. We recommend to business owners that they take the time to consider the reasons for wanting to sell, so they won't regret the decision at a later date.

**Retirement** – One of the best reasons to sell your business. Planning for this event provides a business owner with the knowledge that they will have the best possible structure that will provide for the lowest tax impact and the ability to achieve the best value.

**Illness** – Unfortunately, this is the worst reason to sell, but also the most difficult to control. If this does occur, using a professional team to sell or run the business can help the business owner and their family to get through with the best possible outcome.

**Capital** – Both the lack of capital and the need for capital to grow can cause a business owner to consider selling. A company may be restricted to the opportunities they can work on due to the need of a specific piece of equipment. There are several methods to fund this type of need, but the first step is to outline a business plan to show the value that can be created by the addition of the equipment.

**Partnership Disputes** – When partners disagree, especially when they have been life and business partners, the business can quickly suffer from the lack of focus on the day-to-day needs of the business. When the differences are not reconcilable, it is important that the partners find a way to work together to sell the business at a fair price.

**Burnout / Boredom** – Owning and running a business, especially as it is growing, means putting in a lot of time. It is not unusual for business owners to work 16 hours a day. Many miss out on personal time with family and friends and stop all non-business related activities. We recommend that owners experiencing either boredom or a burned out feeling take time off from the business. Take a short trip, take the time for a course, and take the time to attend a personal function. Then reconsider if selling is the right answer for you. Many owners find that when they have re-directed some of their energy from the business into non-business activities, they wind up re-energizing their business spirit.

**Failing Business** – Business owners begin their enterprises with the optimistic expectation of success. No business owner ever planned to fail. However, tough competition, economic factors, departure of key employees, loss of large accounts, or the owners own momentum can all affect the success of the business. This can be especially difficult if the owner has most of their personal equity tied up in the business. If there is a viable business plan in place, there are many steps that an owner can take to maintain or re-create the success of the business. Selling is just one option.

Selling your business for the wrong reasons, can affect more than just the loss of the business. If you sell without getting enough to retire on, then you may end up looking for a job where you will make less than if you had kept the business.

Selling for the right reasons, and taking the time to do it properly, will help you achieve the outcome you desire. The right business structure, the right buyer, and the right time, will provide the best situation to obtain the best value.

It is important to plan ahead. Take the time to consider why you are selling and then take the steps to prepare for the sale. Too many business owners fail to plan ahead and then are forced to sell quickly, with unwanted consequences.

**Chicagoland Sunbelt is a Business Brokerage firm that focuses solely on helping people buy and sell businesses. We are also a proud member partner of Sunbelt Midwest, which has offices in Minnesota, Wisconsin and Illinois.**

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